

# **EXHIBIT C**



February 6, 2003

Caroline Glass  
7 Egbert Hill Road  
Morristown, NJ 07960-3700

**Re: Bayou Fund, LLC**

Dear Investor:

In view of our success and asset/investor expansion to date; and with an eye to the future, we are compelled to reorganize the structure of funds we manage. Accordingly, we are, pursuant to Article 13 of the Operating Agreement, terminating the Bayou Fund and forming the following five funds with the same basic structure that is, no administrative costs or fees (% 0 management fee) and a twenty percent (20%) incentive fee.

The new funds are:

Bayou Accredited Fund LLC  
(accredited investors only)

Bayou Affiliates Fund LLC  
(principals, employees, associates and their family members only)

Bayou No Leverage Fund LLC  
(tax-exempts, individual retirement accounts, ERISA funds)

Bayou Offshore Fund Ltd  
(non-U.S. persons only)

Bayou Superfund LLC  
(qualified purchasers only)

Although the termination is a taxable event, it will have little, if any, tax consequence as the Fund will have realized substantially all of its market gains prior to termination.

Depending on your investor classification (Accredited Investor, Qualified Purchaser, etc.), you may exchange your Membership Interest for a Membership Interest in the appropriate new Fund. We do, however, reserve the right not to accept any such request.

Should you request an exchange and the exchange is accepted, your history (capital contribution, high water mark, and so forth) will be carried over to the new fund for computational purposes.

If you do not wish to exchange as described above, you may either

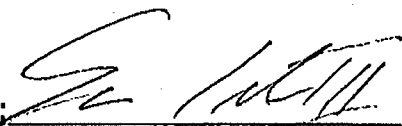
- i) elect to withdraw your capital in full as of January 31, 2003;  
or
- ii) Receive back your original capital contribution. Since Fund operations have been profitable, it is likely that the capital withdrawal amount will exceed your capital contribution amount.

Enclosed is material and a form for you to complete and return to us. Unless there has been a substantial change, you do not have to resubmit an Offeree Questionnaire or Subscription Documents, only a signature page along with a signed exchange form.

We apologize for the need for reasonably timely action, and regret any inconvenience this offer creates, **but we must hear from you by February 21, 2003**. If you do not contact us with a decision, we are compelled to treat your response as electing to take the greater of your capital account as of January 31, 2003 or your capital contribution.

Again we regret the need for this interruption, and we hope that you will elect to continue as an investor, as this reorganization of Funds in no way affects the investment policies, practices or future prospects of the manager.

Very truly yours,  
**BAYOU MANAGEMENT, LLC**

By: 

Sam Israel III, Manager